



Quality assurance arrangement

for material suppliers

Status 11/2023

Between

HEYCO – WERK
Heynen GmbH & Co.KG
Birgden III/1
D - 42855 Remscheid

Hereinafter referred to as “HEYCO“

And company

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.....
.....
.....

hereinafter referred to as “Contractor“

1. Introduction

HEYCO wants to meet the expectations of its customers with a consistent quality management. The contractor's (supplier's) performance in the form of the agreed quality, deadline, quantity and location makes a decisive contribution to this.

2. Scope of application

This Quality Assurance Agreement is the contractual definition of the technical and organizational framework conditions and processes between HEYCO and the Contractor that are required to achieve the specified quality objectives.

Individual clauses of this QAA shall not apply if deviations from this QAA have been agreed upon in the purchase order or if these deviations contradict further documents/literature.

Subsidiary agreements, amendments and supplements must be made in writing.

3. QM System, Q Capability

The Contractor undertakes to apply a QM system based on ISO 9001 or VDA 6.1. The aim is a certificate of an accredited certification body according to IATF 16949.

In the event that the contractor does not maintain such a quality system, the effectiveness of the implemented system (e.g. according to VDA 6.3 as well as customer-specific requirements) will be verified as part of an approval procedure. Alternatively, this can also be done by the proof of an audit of another customer, provided that this audit was carried out under the same conditions.

A supplier evaluation is carried out annually by the purchasing department and the quality department. The following facts are evaluated: Delivery quality, adherence to delivery dates, adherence to quantities, communication behaviour, compliance with agreements and flexibility.

4. Access, auditing

HEYCO is entitled to inspect the effectiveness of quality assurance measures at any time after notification to the Contractor.

The contractor will be audited if required by the circumstances (e.g. number of complaints). The audit will be carried out in accordance with VDA 6.3, taking into account customer-specific requirements. This can also be done in the company of the HEYCO customer.

If necessary, the contractor will ensure that an audit can also be carried out at the premises of his subcontractors.

5. Specifications

Customer-specific requirements shall be taken into account by the Contractor; this applies in particular to the specifications of HEYCO's customers, which shall be passed on accordingly if applicable and not apparent from the documents.

The Contractor shall inform himself about and comply with all national/international standards concerning his contractual products, in particular he undertakes to comply with the respective current requirements according to:

- REACH (Regulation (EC) No. 1907/2006)
- RoHS (EU Directive 2011/65/EU)
- Prohibition of Conflict Minerals (3TG)

as well as the minimum expectations of a Corporate Social Responsibility (CSR) concerning:

- business ethics
- working conditions
- human rights
- sustainable business practices and
- environmental protection

6. Documentations, proofs

The Contractor shall supply an Acceptance Test Certificate (APZ) 3.1 with each batch. If product-specific safety features are involved, the documents shall be marked accordingly as specified by HEYCO or its customers.

The Contractor shall provide IMDS entries for his delivered products.

He shall prove the faultlessness of his products by suitable tests and documentation, e.g. by a process audit according to VDA 6.3.

The documentation proving the delivery quality of materials with safety-relevant features shall be archived for a period of 15 years after the end of series production, the rest in accordance with the legal requirements.

The Contractor shall oblige its subcontractors to comply with the contractual obligations assumed by it under this provision as well.

7. Secrecy

The Contractor undertakes to treat all commercial and technical details which are not in the public domain as trade secrets. Drawings, data, information, parts, etc. may not be disclosed to third parties without HEYCO's consent.

8. Quality, target agreement

The contractor is committed to the "zero-defect strategy" and must continuously optimize its processes to this end (CIP).

If it is necessary to deviate from the "zero defect principle", HEYCO and the Contractor shall define a ppm target rate and the number of complaints in a separate agreement each year.

9. Supplier evaluation

HEYCO regularly carries out supplier evaluations.

This results from the number of complaints (ppm), logistics performance (quantity, deadline incl. culpably caused special trips) and the "soft facts" communication behaviour, compliance with agreements and flexibility.

The classifications are made according to the VDA 6.3 levels: C <80, B < 90, target is level A with 90 points or more.

B and C suppliers receive their rating annually and a request to create an action plan with actions, responsible parties and deadlines to regain the A rating.

A supplier do not receive an annual evaluation.

10. Manufacturability, process characteristics modifications

The Contractor shall check all technical documents. In the event of defects, errors or documents that are not meaningful, the Contractor is obliged to inform HEYCO immediately. The same applies to HEYCO (mutual duty to inform).

He shall ensure the quality as agreed in the data sheet or in the delivery specification.

(Process) changes are to be communicated to the responsible HEYCO QM staff in good time before the changeover.

In the case of critical and product safety-relevant characteristics, the following information must always be supplied:

- Risk assessment for process changes
- Proof of the safeguarding of the process sequences
- Proof of coordination of the procedure with subcontractors.

If HEYCO does not specify any special features, the contractor shall define his own for his processes.

11. Complaints, costs, escalation

HEYCO only inspects quantity, identity and externally visible damage upon receipt of goods. Further inspections will only be carried out in justified cases.

HEYCO is entitled to complain about defective parts, even late, which are only discovered in its or the customer's production.



HEYCO undertakes to inform the Contractor as soon as possible about complaints/problems in order to enable the problems as soon as possible in order to give him the possibility to minimize the damage.

The contractor is obliged to sort out his defective deliveries or, if possible, to rework them free of charge. Furthermore, he shall bear the costs of the complaint caused by him, such as sorting, special travel costs, reworking in accordance with the current hourly rates.

In the event of a complaint, HEYCO is entitled, even without the possibility of immediate reaction on the part of the contractor, to take all measures to keep the damage to all parties involved (customer, HEYCO, contractor) low in order to ensure the ability to deliver to the customer. This can also be e.g. an immediate search action at HEYCO or at the customer to avoid a belt standstill. He prepares a 3-D report within one working day and usually an 8-D report within 10 working days. He demonstrates effectiveness no later than 3 months after occurrence.

In the event of significant problems caused by the contractor, the HEYCO escalation model is used. Measures are defined to enable the contractor to deliver again or to reduce its complaint rate. In case of disagreement, the final consequence can be the separation from the contractor.

12. Miscellaneous

The Contractor undertakes to provide contact persons who speak German or English and who are confident in negotiations.

Quality-relevant documents are to be kept in German or English.

He shall inform HEYCO about his emergency plan regarding delivery safety.

The Contractor shall name his Product Safety and Conformity Responsible (PSCR) to HEYCO. If no PSCR is named, HEYCO shall assume that this is Head QW.

In the event of company dissolution or bankruptcy, HEYCO shall have a claim for surrender of all records and products, materials and other HEYCO property.

13. Term

This agreement is valid for an indefinite period, it replaces the previously valid QAA, if applicable, when it comes into force.

It can be terminated in writing with a notice period of 3 months. Termination of this agreement shall not affect the validity of current individual contracts until they have been fully processed.



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HEYCO

contractor

Remscheid, the

.....

location

date

A. Mannheim
QM-Representative

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signature/ name/designation



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14. Changes

Date	Name	Chapter	Action
08.11.2023	Mannheim	All	General review